



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

Acquisition Procedures
Update (APU) No. 14-03
May 21, 2014

MEMORANDUM FOR BUREAU CHIEF PROCUREMENT OFFICERS

Iris B. Cooper

FROM: Iris Cooper, Senior Procurement Executive

SUBJECT: Class Deviation - Determination of Fair and Reasonable Prices when using Federal Supply Schedule

1. Purpose: This deviation provides authority to deviate from FAR 8.404(d). This deviation clarifies that Treasury contracting officers are responsible for making a determination of fair and reasonable pricing for individual orders, BPAs, and orders under BPAs placed against Federal Supply Schedules contracts.

2. Effective Date: Upon issuance.

3. Expiration Date: Until superseded, incorporated in the DTAP or otherwise rescinded.

4. Background: FAR 8.404(d) includes language about GSA having determined Federal Supply Schedule order prices to be fair and reasonable and that by following solicitation procedures, ordering activities can be assured of fair and reasonable pricing. Nonetheless, a level of due diligence by the contracting officer is considered to be appropriate to ensure that the government is obtaining fair and reasonable pricing. In addition to strongly being encouraged to seek price reductions per FAR 8.405-4 this effort supports the government's approach to seek best value in all its procurements.

5. Department of the Treasury Acquisition Procedures (DTAP) Change:

a. ADD: SUBPART 1008.404— Use of Federal Supply Schedules.

8.404(d) Pricing. (DEVIATION)

Supplies offered on the schedule are listed at fixed prices. Services offered on the schedule are priced either at hourly rates, or at a fixed price for performance of a specific task (e.g., installation, maintenance, and repair). GSA has already determined the prices of supplies and fixed-price services, and rates for services offered at hourly rates, to be fair and reasonable for the purpose of establishing the schedule contract. GSA's determination does not relieve the ordering activity contracting officer from the responsibility of making a determination of fair and reasonable pricing for individual orders, BPAs, and orders under BPAs, using the proposal analysis techniques at 15.404-1. The complexity and circumstances of each acquisition should determine the level of detail of the analysis required.

Additional Information: Questions about this APU may be directed to Thomas O'Linn via e-mail at thomas.olinn@treasury.gov or via telephone at (202) 622-2092.